

CHAPTER 4-02.1 STATE FAIR ASSOCIATION

4-02.1-01. State fair association. A state fair association, to be known as the North Dakota state fair association, is hereby created for the purpose of conducting an annual North Dakota state fair and for the purpose of exhibiting at such fair the agricultural, stockbreeding, horticultural, mining, mechanical, industrial, and other products and resources of this state. The North Dakota state fair shall be held at Minot, North Dakota, at a site to be selected by the state fair association. No other fair may be designated as, nor may any other fair call itself, the state fair.

4-02.1-02. Organization of state fair association - Initial members. For the purpose of organizing the state fair association three residents from each county in the state shall compose the initial membership in the state fair association. One member must be selected by the county fair board, one member by the board of county commissioners, and one member by the county agent of each county. In cases where a county does not have a county agent or county fair board, the board of county commissioners shall select the resident that either the county agent, or county fair board, would normally have been entitled to select as a member of the state fair association. Within thirty days after July 1, 1965, the names of the persons selected to serve as the initial members of the state fair association must be forwarded to the agriculture commissioner by the agencies making such selection. The agriculture commissioner shall compile a list of all such members and forward a copy to each member. Within three months of their selection the initial members of the state fair association shall meet at a time and place agreed upon by them for the purpose of adopting bylaws, electing a temporary board of directors for one-year terms or until successors are chosen and qualified, and generally organizing the state fair association pursuant to the provisions of this chapter. The initial members of the state fair association shall serve one-year terms of office, or until successors are chosen and qualified, but this provision does not prohibit such initial members from succeeding themselves as regular members of the fair association pursuant to the provisions of this chapter. The initial members and the board of directors selected therefrom shall have all the powers, and be subject to all the laws, as is provided in this chapter, except that the board of directors shall serve only one-year terms of office. The first annual meeting of the state fair association must be held at the call of the initial board of directors. A permanent board of directors, elected pursuant to the provisions of this chapter, must be selected at the first annual meeting and new or additional members of the association must be received into the state fair association according to the provisions of this chapter. The state fair association shall initiate plans at the first annual meeting for the purpose of conducting a state fair in the year 1966.

4-02.1-03. Permanent members of state fair association. The state fair association, after the expiration of the term of the initial members, must have a membership selected in the following manner:

1. Three members to be chosen annually from each of the counties of the state, such members to be residents of such county, with one member to be selected by the county fair board, one member by the board of county commissioners, and one member by the county agent.
2. Such individuals who, by reason of eminent services in agriculture, horticulture, or in the arts and sciences connected therewith, or of long and faithful service in the association, or of benefits conferred upon it, may, by two-thirds vote of the directors at any annual meeting, be elected as honorary members.
3. Members elected by societies, corporations, limited liability companies, or associations as determined in the association bylaws, except that a majority of the members must always be selected in accordance with subsection 1.

The terms of all members, except honorary members, must be for a one-year term or until the succeeding annual meeting after such members have qualified as members, except that each

member shall hold office until that member's successor is chosen and qualified and a member who is a director shall remain a member until that member's term of office as director is terminated. Honorary members shall continue as such for life. The election and selection of members must be made and certified to the state fair association on or before each annual meeting. Each member is entitled to one vote on each matter submitted to a vote of the members, except honorary members may not vote. Any member may resign from membership by filing a written resignation with the secretary of the association but memberships are not transferable or assignable. The board of directors, by affirmative vote of the majority of all members of the board, may suspend or expel a member for cause.

4-02.1-04. Meetings - Time and place - Notice.

1. The annual meeting of the members of the state fair association must be held as provided in the bylaws of the association. Such meeting must be held for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the election of directors is not held on the day designated for any annual meeting or at any adjournment thereof, the board of directors shall cause the election to be held at a special meeting of the members as soon thereafter as may be convenient. The failure to hold the annual meeting at the designated time does not work a forfeiture or dissolution of the association.
2. A special meeting of the members may be held at any time upon the call of the president or by order of the board of directors, and it is the duty of the president to call such a meeting whenever requested to do so by ten percent of the members of the association.
3. The board of directors may designate any place within the state as the place of meeting for any annual meeting or for any special meeting called by the board of directors.
4. Written or printed notice stating the place, day, and hour of any meeting of members must be delivered either personally or by mail to each member entitled to vote at such meeting, not less than ten, nor more than fifty, days before the date of such meeting by, or at the direction of, the president or the secretary or the officers or persons calling the meeting. In case of a special meeting, or when required by law or the bylaws, the purpose or purposes for which the meeting is called must be stated in the notice. If mailed, the notice of the meeting must be deemed to be delivered when deposited in the United States mail, addressed to the member at his address as it appears on the records of the association, with postage thereon prepaid.

4-02.1-05. Compensation of members. Each member of the board of directors is entitled to receive compensation in the amount of seventy-five dollars per day plus reimbursement of expenses as provided by law for state officers while attending meetings or performing duties directed by the board. The board of directors may pay to members rendering unusual or special services to the association, special compensation appropriate to the value of the services.

4-02.1-06. Board of directors - Meetings - Notice. The affairs of the state fair association must be managed by its board of directors, which must consist of nine members unless changed by an amendment to the association bylaws, except that a decrease in the number of directors may not affect the term of any incumbent director. Each director shall hold office for a term of three years, and until his successor has been elected and qualified. The terms of the directors elected at the first annual meeting must be staggered so that three directors are elected annually thereafter. The directors must be members of the state fair association and residents of the state.

4-02.1-07. Annual meeting - Directors to call special meetings. A regular annual meeting of the board of directors must be held without other notice than that provided for the

annual meeting of the state fair association, immediately after and at the same place as the annual meeting of the association. The board of directors may provide by resolution the time and place for the holding of additional regular meetings of the board without other notice than such resolution. Special meetings of the board of directors may be called by the president whenever he deems it necessary or upon the written request of two of the directors. The president shall fix the time and place for the holding of any special meeting of the board of directors.

Notice of any special meeting of the board must be given at least three days previously thereto by written notice delivered personally or sent by mail or telegram to each director at his address as shown by the records of the association. If mailed, such notice is deemed to be delivered when the same is deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice be given by telegram, such notice is deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at any meeting constitutes a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted, nor the purpose of any regular or special meeting of the board of directors, need be specified in the notice or waiver of notice of such meeting.

4-02.1-08. Quorum to transact business. A majority of the board of directors constitutes a quorum for the transaction of business at any meeting of the board, but if less than a majority of the directors are present at such meeting, a majority of those present may adjourn the meeting from time to time without further notice. The act of a majority of the directors present at a meeting at which a quorum is present is the act of the board of directors unless the act of a greater number is required by law or by the bylaws.

4-02.1-09. Vacancies and special compensation of board members. Any vacancy occurring on the board of directors must be filled by the board of directors for the unexpired term of the vacancy. The board of directors may contract for and pay directors rendering unusual or exceptional services to the association, special compensation appropriate to the value of such services.

4-02.1-10. Officers - Removal - Vacancies. The officers of the association must be a president, vice president, secretary, treasurer, and such other officers as may be created by the board of directors from time to time. All officers of the association shall perform such duties as may be prescribed by law or by the board of directors. Any two or more offices may be held by the same person except the offices of president and secretary. The president, vice president, secretary, and treasurer must be elected annually by the board of directors, and any other officers created by the board may be filled by appointment at any meeting of the board. Each elected officer holds office until his successor has been duly elected and qualified. Any officer elected or appointed may be removed by the persons authorized to elect or appoint such officer, whenever in their judgment the best interests of the association shall be served thereby. The removal of any officer is without prejudice to the contractual rights, if any, of the officer. Election or appointment of an officer or agent does not of itself create contractual rights. Vacancies in any office because of death, resignation, removal, disqualification, or otherwise may be filled by the board of directors for the unexpired portion of the term.

4-02.1-11. Officers - Duties.

1. The president is the principal executive officer of the association and shall, in general, supervise and control all of the business and affairs of the association and shall preside at all meetings of the members and of the board of directors. He may sign, with the secretary, or any other proper officer of the association authorized by the board of directors, any deeds, mortgages, bonds, contracts, or other instruments which the board of directors has authorized to be executed, except in cases where the signing and direction thereof is expressly delegated by the board of directors or by the bylaws or by law to some other officer or agent of the association, and, in

general, he shall perform all duties incident to the office of president and such other duties as may be prescribed by the board of directors from time to time.

2. In the absence of the president or in the event of his inability or refusal to act, the vice president, or in the event there be more than one vice president through appointment by the board, the vice presidents in the order of their election, shall perform the duties of the president and when so acting has all the power of and is subject to all the restrictions upon the president. Any vice president shall perform such other duties as from time to time may be assigned to him by the president or by the board of directors.
3. If required by the board of directors, the treasurer shall give a bond for the faithful discharge of his duties in such sum with such surety or sureties as the board shall determine. He shall have charge of and custody of and be responsible for all funds and securities of the association received, and give receipts for moneys due and payable to the association from any source whatsoever, and deposit and manage all moneys as prescribed by this chapter. He shall perform all the duties incident to the office of the treasurer and such other duties as from time to time the board of directors may delegate to him.
4. The secretary shall keep the minutes of the meetings of the members and of the board of directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of the bylaws or as required by law; be custodian of the association records; keep a register of the post-office address of each member which shall be furnished to the secretary by such member; and, in general, perform all duties incident to the office of secretary and such other duties as from time to time may be assigned to him by the president or by the board of directors.
5. Any other officers created by the board of directors may be required to give bonds for the faithful discharge of their duties in such sum and with such sureties as the board of directors may determine, and shall perform such duties as may be assigned to them by the treasurer, secretary, president, or board of directors.

4-02.1-12. Director's liability limited. The individual members of the board of directors of the state fair association are not liable for the negligence of any person, firm, corporation, or limited liability company staging any show, race, or other amusement at the state fair, nor for the negligence of any person employed by them.

4-02.1-13. Bylaws, rules, regulations. The state fair association may make all bylaws, ordinances, rules, and regulations, not inconsistent with law, which it may deem necessary or proper in carrying out the provisions of this chapter and for the government of the grounds on which the state fair is to be held, and for all fairs to be held thereon, and for the protection, health, safety, and comfort of the public. Such bylaws, ordinances, rules, and regulations are in effect from the time of filing with the secretary of the association.

4-02.1-14. Appointment of necessary employees. The president or any other person delegated such authority by the board of directors, shall appoint and employ such deputies and other subordinates, and such contractors, architects, builders, clerks, accountants and other experts, and agents and servants as required to carry out the functions of the state fair association. Salaries and other compensation must be set by the president and board of directors and any expenses incurred in the performance of employment must be reimbursed in the same manner and for the same amounts as is provided for officials and employees of the state.

4-02.1-15. State fair operating fund - Maintained in state treasury - Expenditures. A special fund for the North Dakota state fair association to be known as the state fair operating fund must be maintained in the state treasury, and all income, fees, rents, interest, moneys which may be appropriated by the legislative assembly from time to time, and any other moneys, from

whatever source derived by the state fair association, shall be placed in such fund for the use of the North Dakota state fair association; provided, however, that moneys which may be appropriated by the legislative assembly must only be transferred from the general fund appropriation, and placed in the state fair operating fund by the state treasurer, upon order of the office of management and budget whenever the balance in such fund falls so low as to require supplementation. Any moneys or income in the state fair operating fund shall not revert or be canceled according to the provisions of section 54-44.1-11. All expenditures of the state fair association from the state fair operating fund must be made upon vouchers signed by the secretary, or other person authorized by the board of directors, and approved by the office of the budget, upon warrant-checks prepared by the office of management and budget. The directors of the North Dakota state fair association may, not more than fifteen days in advance of the opening of any state fair, submit to the office of the budget a proposed budget of expenditures for operating the state fair, together with a signed voucher or vouchers for the withdrawal from the state fair operating fund of the total amount of the proposed expenditures. Upon approval of such proposed budget of expenditures by the office of the budget, the director of the office of management and budget shall prepare and issue a warrant-check or checks in such approved amount payable to the state fair association. Such warrant-checks must be deposited to the account of the North Dakota state fair association in the Bank of North Dakota or a Minot area bank selected by a majority vote of the state fair board of directors and qualifying in accordance with law as a public depository, and are subject to being withdrawn by check for the payment of prizes and costs of operation of the state fair. Not later than sixty days after the closing day of the state fair, the association shall file with the office of the budget a detailed and itemized statement of expenditures together with copies of all checks issued, and shall immediately close such account at the Bank of North Dakota or Minot area bank and transfer any remaining balance to the state treasurer for deposit in the state fair operating fund. The treasurer, or other officer delegated such authority by the office of the budget, shall remit monthly all income, fees, rents, interest, or other moneys received by the state fair association, to the state treasurer who shall credit the same to the state fair operating fund and such moneys credited to the fund are hereby appropriated as a standing appropriation for the purposes provided in this chapter.

4-02.1-16. Organization under corporation laws - Real property transactions - Contracts. The state fair association possesses all the rights, privileges, and liabilities pertaining to corporations under the corporation laws of this state except as may be limited or specified by this chapter. The association may purchase, hold, lease, exchange, trade, or sell real estate for the purpose of promoting and conducting a state fair. Buildings and real estate controlled by the state fair association may be leased, subleased, rented, or used for purposes other than the conducting of the fair during such times when the property is not needed for fair purposes. The state fair association may contract in its own name, but as an agency of the state, and shall make all of its purchases pursuant to the purchasing laws of the state through the office of management and budget, except as may be exempted therefrom by the director of the office of management and budget as provided by law.

4-02.1-17. Name in which business conducted and titles taken - Execution of written instruments. All business of the association shall be conducted under the name of "North Dakota state fair association". Title to property obtained in regard to the operation of the association must be obtained and conveyed in the name of the state of North Dakota, doing business as the North Dakota state fair association. Written instruments must be executed in the name of the state of North Dakota.

4-02.1-18. Certified audit of state fair association. The state fair association shall submit annually to the governor and the legislative audit and fiscal review committee an audit report prepared by a certified public accountant based upon an audit of all records and accounts of the association.

4-02.1-19. Attorney general to act as legal adviser. The attorney general shall appoint an assistant attorney general or a special assistant attorney general to provide legal assistance to the state fair association. The appointment is revocable at the pleasure of the attorney general. The provisions of this section do not prohibit the state fair association from employing any other attorney to carry out the legal functions of the association or provide additional legal

services, other than those provided through the office of the attorney general, necessary for the proper administration of the state fair association.

4-02.1-20. Law enforcement - Arrangements with local law enforcement agencies.

The state fair association shall make arrangements with local law enforcement agencies for the provision of law enforcement personnel. For the purpose of enforcing any state and local laws, rules, regulations, bylaws, and ordinances of the state fair association, negotiations may be entered into with local law enforcement agencies for the use of such law enforcement personnel or the deputizing of employees of the state fair association. The cost of providing such law enforcement personnel is the responsibility of the state fair association, except in the case of law enforcement officials who are functioning in their normal capacity as agents of the state or its political subdivisions. Law enforcement personnel shall wear appropriate badges of office while acting as such.

4-02.1-21. Service of process. In any action or proceeding upon a claim arising out of the conducting of the state fair, service of process may be made as provided for in section 53-05-04.

4-02.1-22. Exhibition date of fair to be filed. The secretary or other officer delegated such duty shall file with the agriculture commissioner, on or before May first of each year, the date on which the state fair will be held.

4-02.1-23. Regulation and licensing. The state fair association shall regulate all shows, exhibitions, performances, establishments, and privileges carried on during the state fair and to such end shall supervise and ensure that such enterprises are properly licensed according to local and state laws. The state fair association may license any enterprises not required to be licensed by state or local laws, and is charged with the responsibility of seeing that all state and local laws and all rules and regulations of the fair association are complied with by such shows, exhibitions, performances, establishments, or those granted fair privileges.

4-02.1-24. Unlawful acts. Repealed by S.L. 1975, ch. 106, § 673.

4-02.1-25. Nonliability of state for debts - Exception. The state is not liable for any of the debts or liabilities of the state fair association except as appropriations are made therefor from time to time by the legislative assembly and transferred to the state fair operating fund.

4-02.1-26. Annual report. The secretary or other officer charged with the duty to compile an annual report of the proceedings of the state fair association and its financial condition for the preceding fiscal year by the annual meeting shall file a copy in the office of the agriculture commissioner. The commissioner shall include it, in whole or in part, in the commissioner's biennial report to the governor and the secretary of state.